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ABSTRACT

In a controlled experiment, the IIEP attempted to develop efficient teaching materials in the field of educational planning. Informal instructional materials were compiled from the tape recordings, transcriptions, and summary notes of seminars, lectures, and discussions conducted by the IIEP in its training and research program. This instructional unit is the complementary text to a tape recorded lecture of the same title. In addition to a synopsis of the taped lecture, the text discusses some of the problems inherent in evaluating the volume of external aids to education. Discussion questions and a list of additional readings are also included. Related documents are EA 003 931 and EA 003 933-942. (RA)

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The Fundamentals of Educational Planning : Lecture - Discussion Series

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No 8 THE INTEGRATION OF EXTERNAL ASSISTANCE WITH EDUCATIONAL PLANNING

by Ladislav Cerych

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THE INTEGRATION OF EXTERNAL ASSISTANCE WITH EDUCATIONAL PLANNING

by

LADISLAV CERYCH

This instructional unit is part of "Fundamentals of Educational Planning; Lecture - Discussion Series" a controlled experiment undertaken by the International Institute for Educational Planning in collaboration with a limited number of organizations and individuals aiming at the development of efficient teaching materials in the field of educational planning. By their very nature these materials, which draw upon tape recordings, transcriptions and summary notes of seminars, lectures and discussions conducted by IIEP as part of its training and research programme, are informal and not subject to the type of editing customary for published documents. They are therefore not to be considered as "official publications".

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SUGGESTED METHOD OF USE OF THE PRESENT INSTRUCTIONAL UNIT

Instructional Unit number IIEP/TM/8/66 is composed of

I. Tape - "The Integration of External Assistance with Educational Planning" given by Ladislav Cerych .
Duration: 25 minutes, recorded at 3 3/4 (9.5)

II. Present Document containing

a)	Synopsis of taped lecture	page 1
b)	Complementary text: "Some problems of evaluating the volume of external aid to education"	page 3
c)	Questions for further research and discussion	page 9
d)	Suggested additional reading	page 10

Student or class should first listen to taped lecture. Subsequently, read the text on page 3 to 8. Suggested questions on page 9 can be used as a basis for a group discussion or may be specifically assigned to the student for further research or study.

SYNOPSIS OF RECORDED LECTURE

The Integration of External Assistance with Educational Planning

The author considers that, with respect to external aid, an educational planner has to deal with three categories of problems:

1) The proper orientation of external aid and the definition of priorities;

2) The appropriate institutional arrangements and questions related to the process of rendering and receiving educational aid;

3) The existing volume of external aid and its evaluation.

The educational planner is interested in problems related to the above mentioned topics because he must assume that, in any case, external aid will cover only a fraction of educational expenditure. In most instances, therefore, his task will be to determine how to make this fraction as productive as possible.

1) Experience shows that no general rule exists which would indicate what type and form of external assistance (supply of teachers, capital aid to school building, supply of educational equipment, scholarships for studies abroad) is most efficient or what levels and sectors of education (primary, secondary, higher, technical, adult, etc.) should have priority for external aid. Everything will depend on the particular situation of the recipient country and the real key to determining priorities in the field of external aid will be the diagnosis and appraisal of the existing educational system, of its performance and main weaknesses. Thus, external aid to education can only be truly effective if educational planning exists - at least in its first stage which is represented precisely by the diagnosis and appraisal of the existing system.

The author suggests three general criteria. External aid should be given as a priority:

a. to projects which are soundly integrated in the development of the whole educational system, and the completion of which appears to be a priority need for the economic and social development of the recipient country;

b. to sectors and projects whose expansion and completion can only be ensured by external aid by reason of the fact that local resources to take its place are at present either inadequate or totally lacking;

c. to sectors and projects with the highest possible multiplying effect.

2) In connexion with problems related to the institutional framework for, and procedures of, rendering and receiving external aid, the question of the co-ordination of foreign assistance seems of particular importance. The most efficient machinery so far set up has been that on the national level of the recipient countries. Educational planners everywhere should study the various experiences in this field. So far as procedures are concerned, the planner should, among other things, pay particular attention to the problem of the time-lag between the initiation of an aid project and the actual disbursement of aid.

3) Problems of evaluating the volume of external aid to education are discussed in greater detail by the author in the annexed paper (pages 4-5). Related to these is the question of the capacity for absorbing external aid. Such capacity is always limited because any external aid operation generates additional educational expenditure and manpower requirements. There exists no method by which it would be possible to define in any simple mathematical formula the threshold from which any additional aid becomes difficult to absorb, but the planner must bear this problem constantly in mind if he wishes external aid to be really productive and integrated with educational planning.

SOME PROBLEMS OF EVALUATING THE VOLUME OF EXTERNAL AID TO EDUCATION

The Importance of Quantifying External Aid to Education

1) Because external aid represents one of the resources available to the country for developing its educational system, the educational planner should be able to appreciate its size as well as its other main characteristics such as the relative importance of its constituent parts and their destinations, i.e. its breakdown by levels and types of education, its geographical distribution, etc. Only a rather detailed knowledge of the external aid situation in the present and in the past will give him a basis for evaluating realistically how much financial help he can count on in the future, both over-all and in the different sectors of education.

2) Extrapolation of past trends will of course be insufficient. The future will depend on the international situation and on attitudes of the public and of the decision-making bodies in the donor countries towards external aid, on balance of payments considerations, etc. But such factors change, in general, only slowly. It would be quite unrealistic to expect that a country might receive during the next few years (e.g. during the period of the coming five-year plan) external aid representing twice the amount it received in the past.

3) This happened, for example, in Nigeria where the 1962-1963 development plan was based on the assumption that 50% of all capital expenditure would be covered by external resources. This plan foresaw a capital expenditure on education of £69.8 million and therefore some £ 35 million, almost £6 million annually, in external aid funds. If the past figures had been better known, it would have been immediately obvious that such an assumption was too optimistic. In 1962, Nigeria probably received less than £2 million for capital expenditure on education from external resources. And in fact, during the first two years of the plan, some 15%-20% only of capital expenditure came from abroad.

4) Similarly, in 1961, the Addis Ababa Plan foresaw that, in order to meet the development requirements of educational systems in Middle African countries, some $900 million would have to be supplied from external resources by 1970. This sum represents considerably more than

(and perhaps double) the over-all amount of external aid provided circa 1964 for education in all developing countries throughout the world. Obviously, therefore, the expectations in respect of foreign assistance for education as implied in the Addis Ababa targets were over-optimistic.

5) To have a better knowledge of the past and present volume of external aid and of its orientation is an equally indispensable basis for assessing the over-all effectiveness of this aid and for any policy aiming at its improved utilization. If, for example, it is expected that the total volume of aid cannot be substantially increased in the near future, it may well be possible to shift the major portion of it from one sector to another (e.g. from university to secondary education) according to national priorities - provided the present orientations are well known.

Difficulties in Evaluating the External Aid Contribution

6) Evaluation of the external aid volume and flow entails a certain number of difficulties. In a certain sense it can be said that all aid to the development of a country contributes, or can contribute, to the expansion of its education. External assistance designed for the development of the economic infrastructure or the import of essential products of all kinds releases internal resources within the recipient country. Such funds can be assigned to education, and in the last analysis they may produce the same effect as aid to education in the strict sense. This, however, is not true in all cases and it is difficult, if not impossible, to determine when such an internal transfer of resources really took or will take place.

7) The second difficulty in defining the volume of external aid results from the general lack of data in this field, both on the recipient and on the donor side. So far as the former is concerned, this lack of data results from the fact that external aid is directed, not to one, but to a multitude of recipients, e.g. to federal and regional governments, or to several ministries, institutions and even individuals, without passing automatically through a common accounting centre. On the donor side few of the aid agencies are able to state what is the total monetary value of the assistance they provide. Often this assistance is in fact financed by a number of organizations - private and public - or represents a juxtaposition of different schemes, each of them supported by different sources and only administered from one centre. To take once more the Nigerian example, at least two, if not three, of the four major donors - and the majority of the smaller ones - are not in a position to evaluate with any degree of accuracy the monetary value of their contribution to Nigerian education.

8) The third difficulty is due to the fact that most of the external aid contributions are made in block-grants or loans to be used over a period of several years. Yet it is important to know how much of the grant or loan has been disbursed and actually used in one particular year. Unfortunately, the accounting systems of both many donors and recipients do not provide such information. This implies that hypothetical averages have to be made.

The Ambiguity of the Foreign Aid Value

9) The fourth and most important problem connected with estimating the volume of external aid results from what might be called the ambiguity of the foreign aid value. Basically any external contribution can be evaluated in two different ways: from the point of view of the donor and from that of the receiver. A Peace Corps volunteer costs the United States some £3,000 per year. If the receiving government employed instead its own equally qualified national, it would only have to pay him £700. The Peace Corps contribution may therefore be evaluated as a saving of £700 multiplied by the number of volunteers in service. This "value-to-the-recipient" concept as opposed to the "cost-to-the-donor" estimation is of course based on a purely hypothetical assumption, namely that the recipient's authorities have a choice between receiving a Peace Corps volunteer and employing a national. This very probably is not the case at the present moment when the recipient is still lacking qualified teachers. In other words, if no Peace Corps teachers were available, the developing country concerned would have to hire other expatriates, cover their travel and pay them much more than £700 per year, although probably less (travel included) than £3,000. This introduces a third possibility of evaluating the external aid contribution: the replacement cost concept. How much would the developing country have to pay from her own resources if, for one reason or another, a particular foreign contribution were withdrawn to-day and in the present conditions ?

10) The Peace Corps is of course but one example. Two or three "price tags" can be given to almost any external aid operation: the services of any expatriate teacher or expert can be evaluated according to the local salary scale or according to what they cost the aid agency; the volume of educational equipment supplied by a foreign country can be based on what this country has really paid in order to buy and to transport it to the assisted country or on what the same equipment would cost if produced locally.

11) Any type of evaluation will have its advantages and disadvantages. The "cost-to-the-donor" concept is technically the easiest one because some firm data are most readily available. On the other hand it inflates considerably the external aid contribution. The "value-to-the-recipient" concept, as will be seen, is probably the most interesting approach from the point of view of the educational planner, but it neglects some of the basic facts of the present situation (lack of manpower and of financial resources). The replacement cost concept, which seems in a certain sense the most objective one, is technically very difficult to calculate; with few exceptions (e.g. Peace Corps) it will be rather close to the "cost-to-the-donor" value.

12) The different ways of evaluating external aid contributions are of particular relevance for the educational planner when he considers the present and future financing of the educational system. Obviously he would be over pessimistic if he were to assume that the replacing of foreign aid would eventually cost the country as much as it costs the donors today. The future substitution of 500 nationals for the 500 Peace Corps teachers working in the country in 1965 will represent an additional expenditure of £350,000, and not of £1.5 million which the programme costs the U.S. administration today [1].

13) Such calculation can of course be applied only for the year when sufficient nationals are available to replace the expatriates. At any moment before this happens, the planner's value of the foreign aid contribution will lie somewhere between the present high "cost-to-the-donor" estimation and the low "value-to-the-recipient" estimation. A theoretical example will illustrate the whole problem.

14) Supposing that various external agencies supply, in 1965, 1,000 teachers to a given developing country and that the total net cost to the donors of this contribution is £3 million. Supposing, furthermore, that equally qualified nationals (if available) would cost the developing country's budget £1.5 million. The planner assumes that, considering the output of national institutions and of studies abroad as well as the manpower situation, this will occur in 1970, the supply being 200 per year between 1965 and 1970. The planner also assumes that the replacement of foreign aid-financed expatriates in addition to the newly available nationals would mean employing other expatriates, the cost of which for the national budget would be the same as the present donors' cost. In 1966 there will be 800 expatriates costing the donors £2.4 million and 200 nationals costing the country's budget £300,000; in 1967, 600 expatriates costing £1.8 million and 400 nationals costing £600,000, etc.

1/ This is a simplified example which does not take into account probable increases in teachers' salaries.

15) The practical conclusion which can be drawn from this example is obvious. The planner, when reflecting on future educational expenditure which is to cover the existing external aid contribution, will apply to the latter a coefficient that will decrease according to the availability of qualified nationals. In the above example the coefficient equals 1, in year zero (1965); 0.9 in 1966; 0.8 in 1967, and so on until 0.5 is reached in 1970. In other words, when projecting later costs of substituting national personnel (or equipment) for foreign, and estimation of the external aid contribution based on the "value-to-the-recipient" concept will be the most appropriate. Before this substitution is possible, and evaluation more or less approaching the "cost-to-the-donor" method seems to be more realistic since this is the expenditure which the country would have to cover out of its own resources if foreign aid were to disappear and if, at the same time, the existing projects, programmes and institutions were to be maintained.

REPLACEMENT VALUE OF A FOREIGN AID CONTRIBUTION

Year	NUMBER OF TEACHERS		Replacement value (million £)	Coefficient
	expatriates supplied by external aid	nationals available		
1965	1,000	-	3	1
1966	800	200	2.7	0.9
1967	600	400	2.4	0.8
1968	400	600	2.1	0.7
1969	200	800	1.8	0.6
1970	-	1,000	1.5	0.5

Conclusions

16) The devaluation of the external aid contribution through the use of the procedure described above does not, of course, imply any diminution of its present rôle and importance. It is merely a method which should help the planner to foresee realistically the magnitude of the financial effort required in the future to replace foreign aid. But, for the same reason, it is indispensable that the planner register all aid which the country receives, even if it is completely free. Thus, for example, appointments held by Technical Assistance teachers for whom nothing is being paid by the recipient should nevertheless be shown on the lists of approved establishments (together with the hypothetical costs of national personnel should they come to hold such appointments). Otherwise there is always a risk of the Finance Ministry being unwilling to allow for the appointment of indigenous teachers when the expatriates leave.

17) All the problems and difficulties analysed above will necessarily affect any evaluation of total external aid to education in a given country. Only orders of magnitude can be reached. But even these, although possibly subject to a large margin of error, should be useful to an educational planner.

18) Evaluating external aid in monetary terms provides of course but a partial picture of its rôle in a given educational system. In many respects measurement, for example in men-months, of expatriate teachers may give a more precise idea of the importance of a given foreign contribution. However, only a monetary expression can serve as a necessary common denominator of the various forms of external aid to education (teachers, scholarships, equipment, etc.) which could otherwise not be added to each other in order to provide a meaningful figure for the total of all educational assistance.

QUESTIONS FOR FURTHER RESEARCH AND DISCUSSION

1. What are the particular problems of projecting the future requirements of expatriate teachers in your country?

2. What are, in a given country (in your own or in one which you know well), the prevailing policies with regard to scholarships for studies abroad? How are they implemented? Has the educational planner any control over the flow of students going abroad? What remedies would you recommend?

3. Would you say that, in your country (or in one well known to you), external aid should be oriented to one (or several) specific sectors? Could you substantiate your recommendation in the light of the three criteria for the priority application of external aid as suggested by Mr. Ladislav Cerych in his recorded exposé (see also synopsis, page 1)?

4. Do you see any means of reducing the time-lag in external aid operations in your country (or in general)? What are the practical consequences of the existing time-lag for the work of the educational planner?

5. In his paper (pages 4-5) Mr. Ladislav Cerych mentions several difficulties in evaluating the volume of external aid to education. Do you see any others in the specific country you know well; and how, as a planner, would you deal with the existing ones?

Suggested Additional Reading

Benveniste, Guy. New Problems in Aid to Education. International Development Review, Washington, Vo. VII, N° 2, July 1965, pp. 20-24.

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